

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF  
CALIFORNIA**

Order Instituting Rulemaking on the  
Commission's Own Motion into Competition  
for Local Exchange Service.

Rulemaking 95-04-043  
(Filed April 26, 1995)

Order Instituting Investigation on the  
Commission's Own Motion into Competition  
for Local Exchange Service.

Investigation 95-04-044  
(Filed April 26, 1995)

**ASSIGNED COMMISSIONER'S RULING FURTHER IMPLEMENTING  
FEDERAL COMMUNICATIONS COMMISSION WAIVER**

This ruling further implements the waiver granted by the Federal Communications Commission (FCC) Order 03-196, adopted August 5, 2003 and released August 11, 2003. FCC Order 03-196 grants California a limited waiver to raise the authorized contamination threshold on an interim basis from 10% to 25% in the 310 and 909 area codes to define the type of thousand-number blocks that carriers are required to return and/or donate to the number pools. This waiver was first implemented by Assigned Commissioner Ruling on August 21, 2003. Pursuant to FCC Order 00-104 carriers participating in thousand-block number pooling must donate thousand-blocks that have a 10% or less use

(or contamination) rate to the number pool for the rate center from which the numbers are assigned.

In 1999, in FCC Order 99-248, the FCC delegated to California the authority to implement conservation measures and manage number usage as related to California area codes. Accordingly, California has broad delegated authority to implement various conservation measures as determined necessary for California area codes. Additional authority to obtain from carriers blocks of numbers less than 25% used (or contaminated) in the 310 and 909 area codes was delegated in FCC Order 03-196. Since the start of number pooling in 2000, conservation measures undertaken in all of California's area codes have been highly successful. California's common sense efforts have been precedent-setting in proving that using available telephone numbers efficiently can both extend the life of an area code as well as provide optimal opportunities for all carriers to have access to such resources. The effect of raising the use (or contamination) threshold is to increase the amount of unused telephone numbers (allocated in thousand number blocks) that carriers must return and/or donate to the number pool. The purpose of the FCC waiver, to the extent that additional thousand blocks are available to the pool through increased carrier donations, is to encourage carriers to use numbers more efficiently, thereby making more blocks available for carriers to use.

Actual historical use of numbers by carriers indicates that carriers keep in their six-month inventories blocks of numbers above and beyond their actual need to meet customer demand. The average six-month inventory in 2003 for all carriers in the 310 area code, based on the most current Numbering Resource

Utilization/Forecast (NRUF) data, is approximately 363 blocks, while current North American Numbering Plan Administrator (NANPA) data shows that carriers have more than 1.4 million available numbers in their inventories. Over-estimating carrier telephone number needs results in a hoarding of unused telephone numbers that should be returned and/or donated to the pool so that they can be made available to other carriers that need them.

Furthermore, Public Utilities Code section 7943 requires that the CPUC implement all reasonable telephone number conservation measures before approving an area code split. According to the most recent North American Numbering Plan Administrator (NANPA) data, hundreds of blocks less than 25% used (or contaminated) still remain outstanding in carrier inventories. FCC Order 00-104 further encourages the efficient use of telephone numbers by directing carriers to first use the more highly contaminated blocks in a carrier's inventory before they may utilize numbers from lesser used (or contaminated) blocks. Return and/or donation of all blocks less than 25% used (or contaminated) constitutes a reasonable telephone number conservation measure.

Thus, we provide further guidance to implement the Assigned Commissioner Ruling of August 21, 2003 which directed that all blocks less than 25% used (or contaminated) were to be returned and/or donated by December 1, 2003. Carriers are directed to return and/or donate immediately all blocks remaining in their inventories that are less than 25% contaminated, excepting the footprint blocks identified in FCC Order 03-196: six-month inventory; footprint; 911; and LRN. Accordingly, this ruling directs that all such returns and/or donations be completed no later than August 15, 2004. Carriers that can

factually demonstrate that returning and/or donating all blocks in their inventories which are less than 25% used (or contaminated) would deplete their inventory of telephone numbers to less than a six month supply of numbers may be eligible for an exemption to this return order.

As delineated in the June 2004 CPUC report on the effectiveness of the FCC 25% use (or contamination) waiver, inventory guidelines will have a profound effect on extending the life of all area codes in California. Implementation of inventory guidelines based upon how carriers actually utilize numbers is an essential element that must be developed in order to promote the most efficient use of numbering resources in an area code. Inventory guidelines that reflect carriers actual need for numbers constitutes a reasonable telephone number conservation measure.

Accordingly, to promote the efficient use of telephone numbers and to maximize the amount of phone numbers that are available for all carriers to access, the CPUC will consider developing guidelines to define a six-month carrier inventory based upon actual historical carrier use. Development of inventory guidelines may consider a growth factor that is both consistent with historical carrier use and federal guidelines. We acknowledge that NRUF aggregate data of carrier historical use and carrier numbers referenced in this document illustrate the big picture of available numbers and inventory in the 310 area code and recognize that historical use will vary by individual carrier. Any guidelines should be developed with these differences and the needs of individual carriers in mind.

Any party, including paging carriers, interested in filing comments on inventory guidelines, are requested to provide comment outlining their views on the development of six-month inventory guidelines, including whether the Commission should develop and implement six-month inventory guidelines. Comments should address such issues as how inventory guidelines based on historical use will affect carrier supply needs (or conversely, whether another basis should be used for setting inventory guidelines), which numbering categories should be used to define historical use, how many NRUF periods should be considered in defining guidelines, and whether – and, if so, how – growth rate should be incorporated into inventory guidelines. Parties should also discuss the role marketing strategy may play in projecting six-month inventory guidelines. Carriers should be prepared to factually support their positions on historical use as well as future projections, especially as to marketing projections. Parties should provide any additional information they deem to be relevant in the shaping of any future inventory guidelines. In general, parties should provide supporting data to demonstrate their positions and arguments concerning need for numbers. Comments on guidelines for six-month carrier inventories should be filed with the CPUC and served on parties with a copy to the office of Commissioner Loretta Lynch by Friday, July 30, 2004. Reply comments will be due by Friday, August 6, 2004.

**IT IS RULED** that:

1. As authorized by FCC Order 03-196 and initially implemented by CPUC Assigned Commissioner Ruling on August 21, 2003, the Commission hereby

directs carriers to return and/or donate blocks in the 310 and 909 area code that are less than 25% used (or contaminated). All carriers holding numbers in the 310 and 909 area code shall review their inventory levels and return and/or donate telephone number blocks that are less than 25% used (or contaminated) by August 15, 2004 with the exception of certain block types as identified in FCC Order 03-196 used for the following purposes: six-month inventory; footprint; 911; and LRN.

2. To promote efficient use of telephone numbers, carriers should actively monitor number inventory levels on a quarterly basis and return and/or donate thousand-number blocks that are less than 25% used (or contaminated) to the 310 and 909 number pool.

3. Carriers may demonstrate that returning and/or donating all blocks in their inventories, which are less than 25% used (or contaminated) would deplete their inventory of telephone numbers to less than a six month supply of numbers that is necessary to meet actual historical use. Upon that factual demonstration, carriers can be eligible for an exemption to this return order.

4. Carriers shall maintain appropriate records to quantify the incremental thousand-blocks that are donated as a result of raising the contamination rate from 10% to 25% in the 310 and 909 area codes, and shall compile this information for each applicable rate center and report it to the Director of the Telecommunications Division quarterly.

5. Returns and/or donations of thousand-blocks at the less than 25% use (or contamination) rate in the 310 and 909 area code as prescribed by this ruling shall continue in effect until or unless modified by further order of the FCC or by ruling or order from this Commission.

6. Any party, including paging carriers, interested in filing comments on inventory guidelines should provide comment on the development of guidelines for carrier six-month inventories by 5 p.m. PDT on Friday, July 30, 2004 to be filed with the CPUC and served on parties with a copy to be served on Cheryl Cox in the office of Commissioner, Loretta Lynch (cxc@cpuc.ca.gov). Reply comments are due by 5p.m. PDT on Friday, August 6, 2004.

Dated July 15, 2004 at San Francisco, California.

/s/ Loretta M. Lynch

---

Loretta M. Lynch  
Assigned Commissioner

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Assigned Commissioner's Ruling Further Implementing Federal Communications Commission Waiver on all parties of record in this proceeding or their attorneys of record.

Dated July 16, 2004 at San Francisco, California.

/s/ ERNESTO MELENDEZ

Ernesto Melendez

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

\*\*\*\*\*

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.